



PMWG Readmissions Sub-group

02/26/2019

Agenda

1. Welcome and Introductions
 1. Guiding Principles
2. Scope and Deliverables; Workplan
3. Existing RRIP Policy
 1. Readmission Measure
 2. Readmission Rate Trends (CMMI – Unadjusted, Medicare FFS)
 3. Readmission Rate Trends (Case-mix – Case-mix Adjusted, All-Payer)
4. Other Descriptive Statistics on Existing Readmission Measure
5. Potential Scope and Issues for Group to Consider
 1. Literature Review
 2. Analytics to support potential



Welcome and Introductions

Please bring to share –

- Name and Organization,
- What is your interest in Readmission Measures?
- What is the most pressing question you would like the sub-group to address?



Guiding Principles For Performance-Based Payment Programs

- ▶ Program must improve care for **all patients**, regardless of payer
- ▶ Program incentives should support achievement of **all payer total cost of care model targets**
- ▶ Promote health equity while minimizing unintended consequences
- ▶ Program should **prioritize** high volume, high cost, opportunity for improvement and areas of national focus
- ▶ **Predetermined** performance targets and financial impact
- ▶ Hospital ability to **track progress**
- ▶ Encourage **cooperation** and sharing of best practices
- ▶ Consider **all settings of care**

Readmission Sub-Group **Deliverables**

- ▶ Consider **Statewide Goal** for Readmissions
- ▶ **Criteria** for selecting measure(s) in Readmission program (see above)
- ▶ List of **measure(s)** for use in Readmission Program
- ▶ General consensus on **risk adjustment** for those measure(s)
- ▶ Establish **performance standards** for measure(s)
- ▶ Establish **standardized reports** for monitoring readmissions

Level-Set and Workplan Review

- ▶ **MUST:** Have a readmission reduction program, to maintain exclusion from federal HRRP and ensure our population based revenue system does not impact quality of hospital care
- ▶ **CANNOT:** Make a perfect policy
- ▶ **WILL:** Carefully examine with this group the most responsible way under TCOC model to incentivize optimal readmission rate while maintaining clinical integrity

Existing Federal HRRP

Hospital Readmissions Reduction Program (HRRP)

- ▶ Section 3025 of the Affordable Care Act established HRRP beginning FFY 2013.
- ▶ The Hospital Readmissions Reduction Program (HRRP) is a Medicare value-based purchasing program that **reduces payments to hospitals with excess readmissions**
- ▶ Additionally, the 21st Century Cures Act requires CMS to **assess penalties based on a hospital's performance relative to other hospitals with a similar proportion of patients who are dually eligible for Medicare/Medicaid beginning in FY 2019.**

FFY 2019 HRRP

- ▶ For FFY 2019, the payment reduction is capped at 3% (i.e., payment adjustment factor of 0.97). Payment reductions are applied to all Medicare FFS base operating DRG payments between October 1, 2018 through September 30, 2019.
- ▶ CMS uses excess readmission ratios (ERR) to measure performance for each of the six conditions/procedures in the program:
 - ▶ Acute Myocardial Infarction (AMI)
 - ▶ Chronic Obstructive Pulmonary Disease (COPD)
 - ▶ Heart Failure (HF)
 - ▶ Pneumonia
 - ▶ Coronary Artery Bypass Graft (CABG) Surgery
 - ▶ Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty (THA/TKA)

Existing Readmission Policy (RY 2021 RRIP)

Performance Metric

- ▶ **Case-Mix Adjusted Inpatient Readmission Rate**
 - ▶ 30-Day
 - ▶ All-Payer
 - ▶ All-Cause
 - ▶ All-Hospital (both intra- and inter- hospital)
 - ▶ Chronic Beds included
- ▶ **Exclusions:**
 - ▶ Same-day and next-day transfers
 - ▶ Rehabilitation Hospitals
 - ▶ Oncology discharges
 - ▶ Planned readmissions (CMS Planned Admission Version 4 + all deliveries + all rehab discharges)
 - ▶ Deaths

Data Sources and Timeframe

- ▶ Inpatient abstract/case mix data with CRISP Unique Identifier (EID) to track patients across Maryland hospitals (acute and specialty).
- ▶ Base period is CY 2016 and Performance period is CY 2019, run using version 36 of the APR-DRG grouper.

Measurement Timeframe:

Example CY2016 Base Period:



Example January 2017:



Readmissions Only

Case-Mix Adjustment

- ▶ Hospital performance is measured using the Observed (O) unplanned readmissions / Expected (E) unplanned readmission ratio and multiplying by the statewide base period readmission rate.
- ▶ Expected number of unplanned readmissions for each hospital are calculated using the discharge APR-DRG and severity of illness (SOI).

Measuring the Better of Attainment or Improvement

- ▶ The RRIP continues to measure the better of attainment or improvement due to concerns that hospitals with low readmission rates may have less opportunity for improvement.
- ▶ RRIP adjustments are scaled, with maximum penalties up to 2% of inpatient revenue and maximum rewards up to 1% of inpatient revenue.

Rate Year	Performance Year	Improvement Target	Attainment Benchmark
RY 2017	CY 2015	9.30%	12.09%
RY 2018	CY 2016	9.50%	11.85%
RY 2019	CY 2017	14.10%	10.83%
RY 2020	CY 2018	14.30%	10.70%
RY 2021	CY 2019	3.90%*	11.12%*

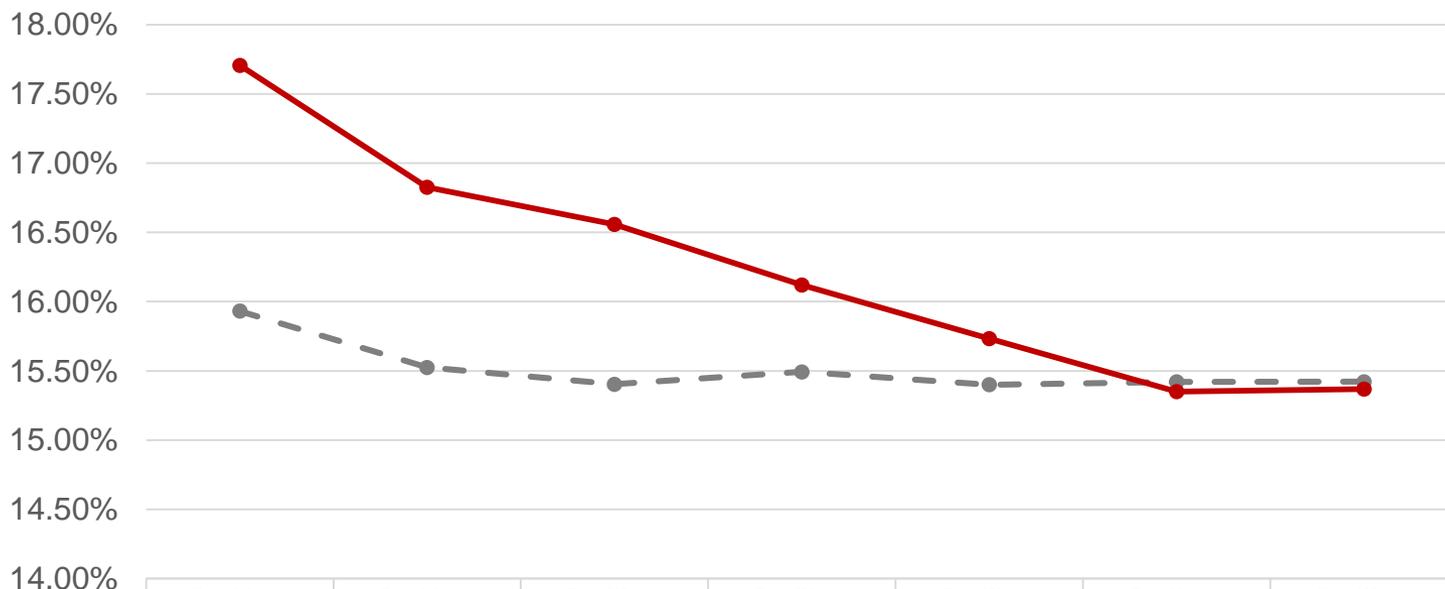
Staff Final Recommendations for RY 2021 RRIP Policy

- ▶ Measure hospital performance as **the better of attainment or improvement**.
- ▶ Set the all-payer case-mix adjusted readmission rate improvement target at **3.90** percent for CY 2016 to CY 2019.
- ▶ Set the attainment performance standards for CY 2019 with an expanded benchmark and threshold range as follows:
 - ▶ Use CY 2018 YTD hospital performance results with an improvement factor added.
 - ▶ Increase the threshold where hospitals start to earn rewards from the 25th percentile to the 35th percentile, which is **11.12** percent.
 - ▶ Decrease the benchmark where hospital receive the full 1 percent reward from the 10th percentile to the 5th percentile at **8.94** percent.
- ▶ Include admissions to **specialty hospitals** in the calculation of acute care hospital readmission rates and monitor readmission rates of specialty hospitals.
- ▶ Set the maximum **reward** hospitals can receive at **1 percent** of inpatient revenue and the maximum **penalty** at **2 percent** of inpatient revenue.

Medicare Waiver Test: At or below National Medicare Readmission Rate by CY 2018

With most recent Medicare Readmissions data, Maryland's Medicare Readmission Rate (15.37%) is below the National Medicare Readmission Rate (15.42%). Maryland will need to continue to reduce its readmissions, and match any additional reduction in the national rate.

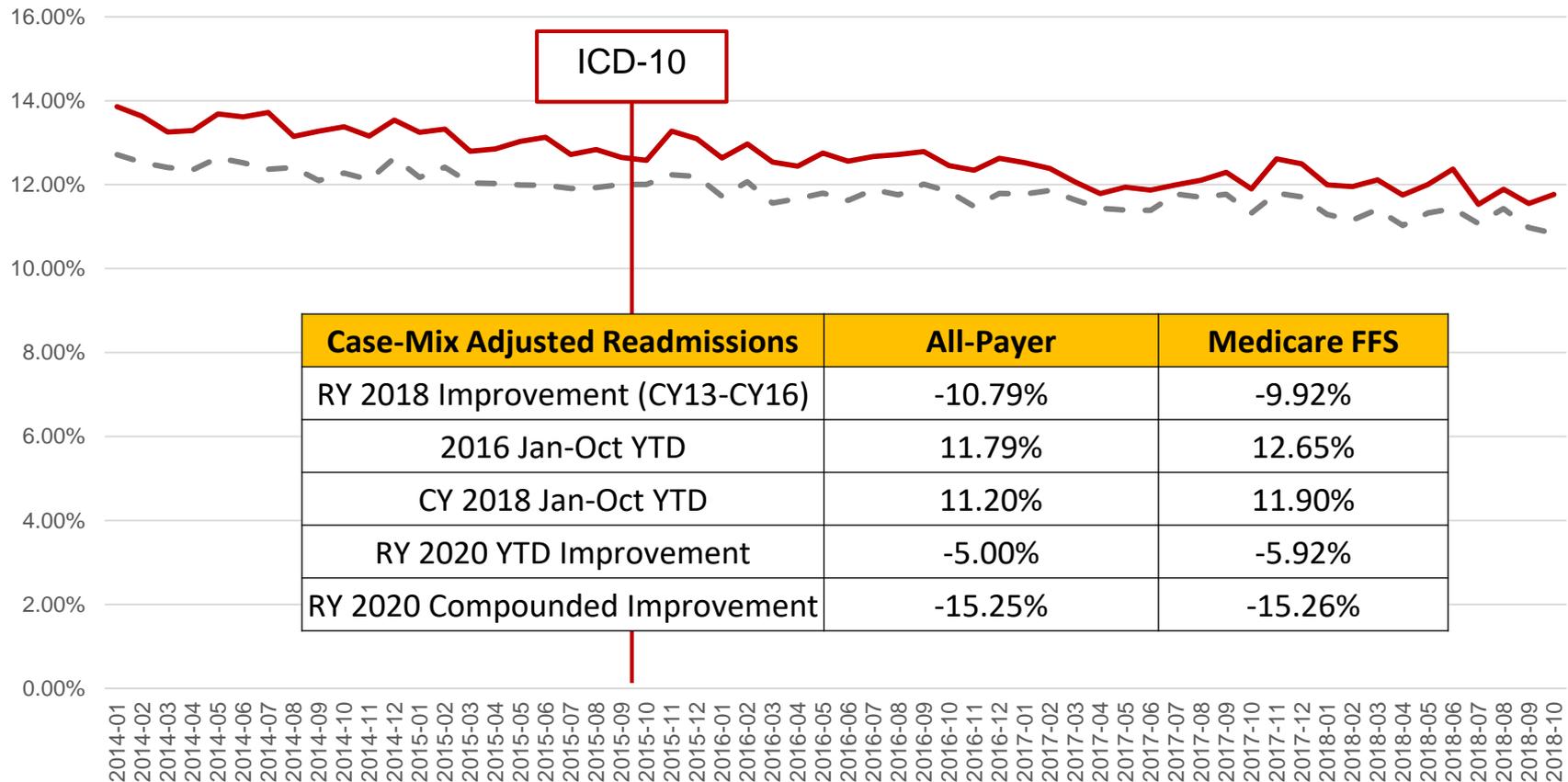
Readmissions - Rolling 12M through Aug



	Rolling 12M 2012	Rolling 12M 2013	Rolling 12M 2014	Rolling 12M 2015	Rolling 12M 2016	Rolling 12M 2017	Rolling 12M 2018
—●— National	15.93%	15.52%	15.40%	15.49%	15.40%	15.42%	15.42%
—●— Maryland	17.71%	16.82%	16.56%	16.12%	15.73%	15.35%	15.37%

Data are currently available through August 2018

Monthly Case-Mix Adjusted Readmission Rates



Note: Based on final data for Jan 2013 – Sep 2018; Preliminary data through November 2018. Statewide improvement to-date in RY 2020 is compounded with RY 2018 improvement.

Other Descriptive Statistics

Top Service Lines (Index Admission)

By Number of Readmissions

	Service Line	Eligible Discharges	Readmits	Readmit Rates
1	Pulmonary	132019	20137	15.25%
2	Psychiatry	126448	18659	14.76%
3	Gastro- enterology	116586	18442	15.82%
4	Cardiology	98153	17480	17.81%
5	Infectious Disease	104971	14875	14.17%
6	General Surgery	95185	11717	12.31%
7	Nephrology	62668	10533	16.81%
8	Neurology	71287	8367	11.74%
9	Orthopedic Surgery	118820	7078	5.96%
10	Hematology	22999	5225	22.72%

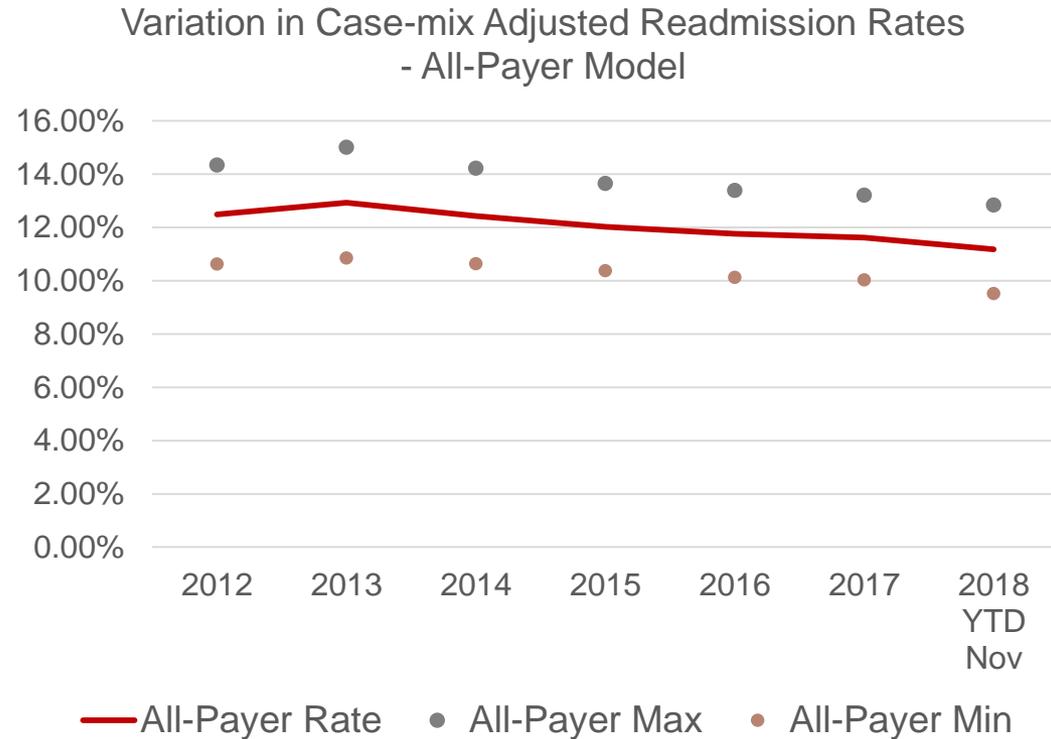
By Readmission Rate

	Service Line	Eligible Discharges	Readmits	Readmit Rates
1	Transplant Surgery	2931	869	29.65%
2	Ventilator Support	2059	499	24.24%
3	HIV	5664	1346	23.76%
4	Hematology	22999	5225	22.72%
5	Endocrinology	16175	3062	18.93%
6	Vascular Surgery	11528	2149	18.64%
7	Diabetes	16673	2986	17.91%
8	Cardiology	98153	17480	17.81%
9	Substance Abuse	24888	4307	17.31%
10	Neonatology	268	46	17.16%



Variation by Year in Case-mix Adjusted Readmission Rates

	All-Payer Rate	Standard Deviation
2012	12.49%	1.858%
2013	12.93%	2.082%
2014	12.43%	1.793%
2015	12.02%	1.639%
2016	11.76%	1.631%
2017	11.62%	1.595%
2018 YTD Nov	11.18%	1.662%

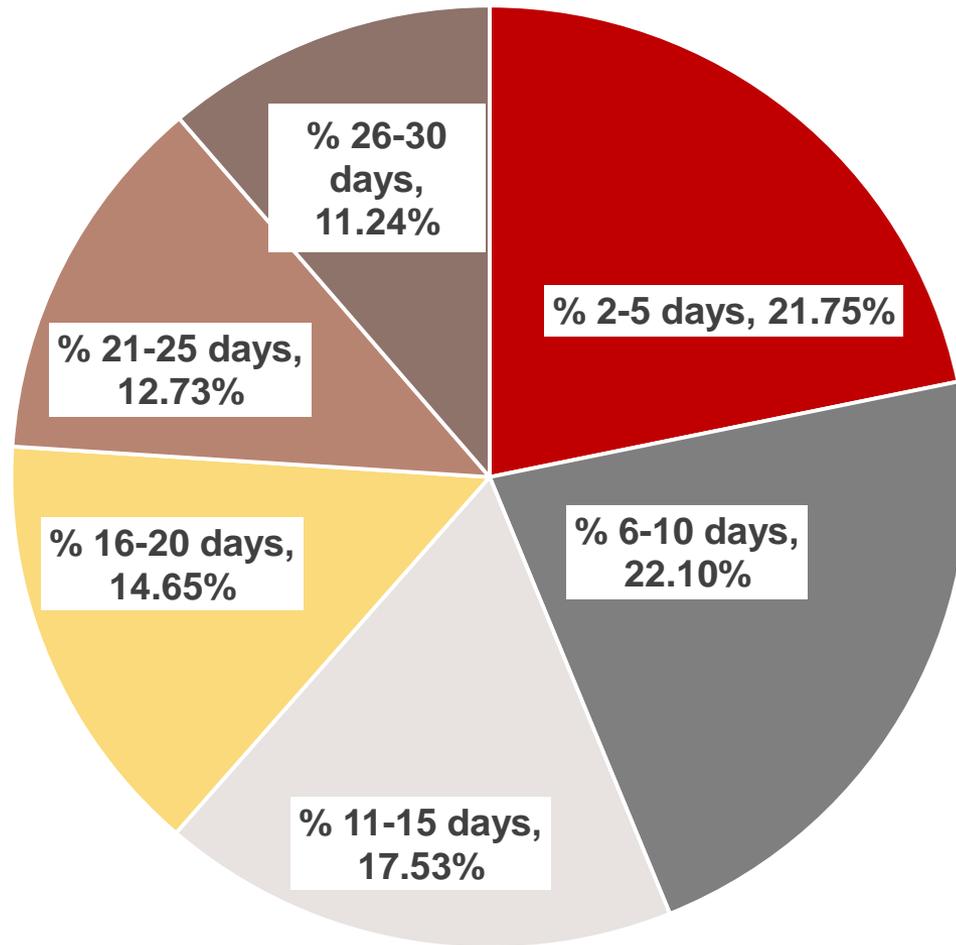


Other Descriptive Statistics

- ▶ Days to Readmission (statewide)
- ▶ By-Payer (statewide)
- ▶ Same or Different Hospital by Region

Days to Readmission

2017 Statewide

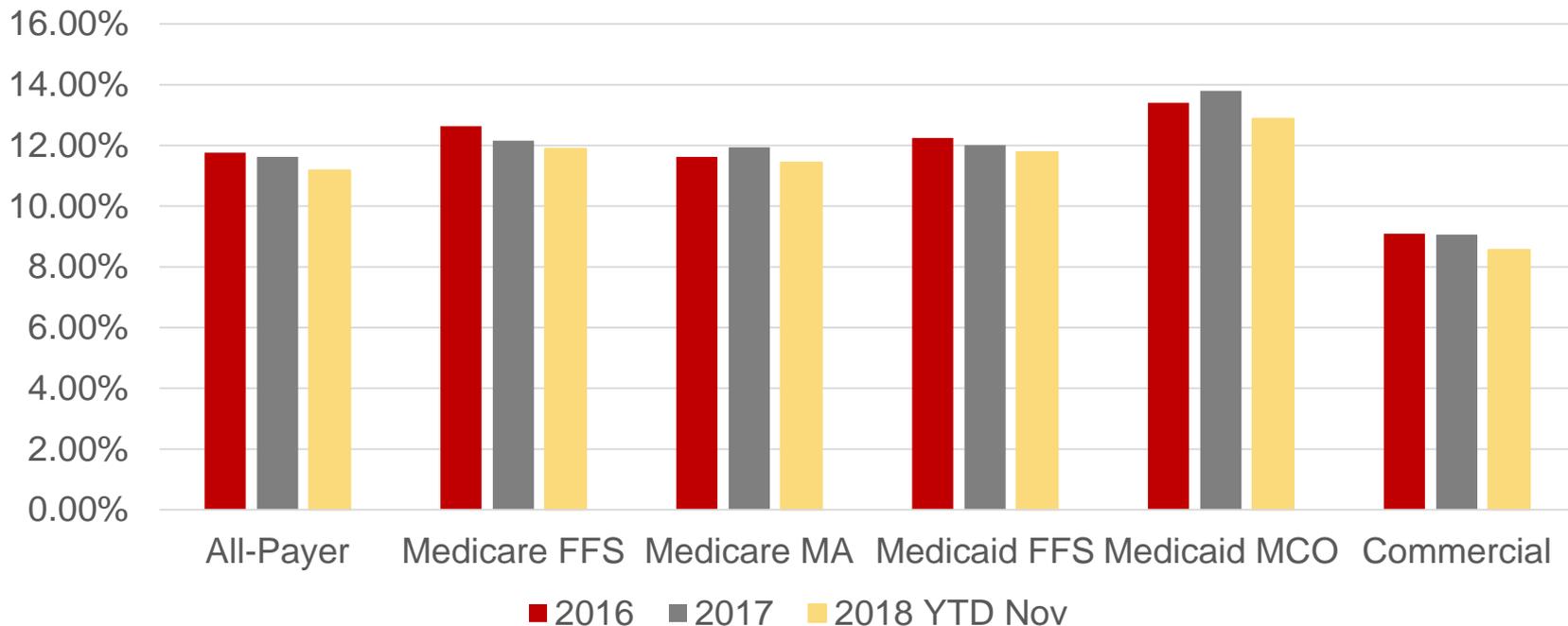


By-Payer Case-mix Adjusted Readmission Rates (Including All-Payer Model Improvement)

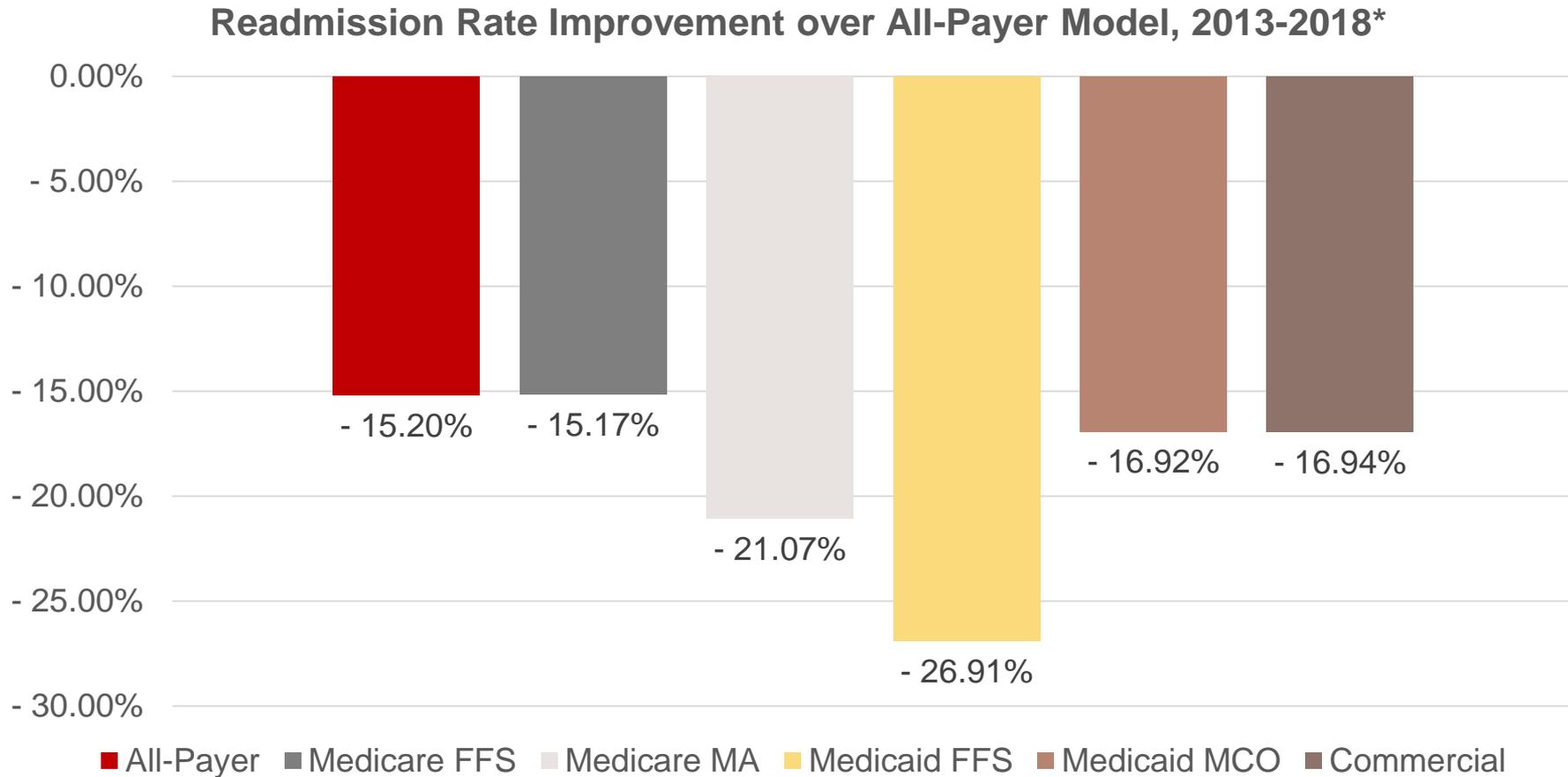
	All-Payer	Medicare FFS	Medicare MA	Medicaid FFS	Medicaid MCO	Commercial
2012	12.49%	13.39%	13.18%	15.74%	15.01%	9.60%
2013	12.93%	13.78%	14.29%	15.85%	15.14%	10.08%
2014	12.43%	13.47%	13.09%	13.34%	13.77%	9.59%
2015	12.02%	12.91%	12.17%	12.49%	13.67%	9.26%
2016 - v33	11.54%	12.41%	11.46%	12.04%	13.10%	8.90%
RY 2018 Improvement	- 10.79%	- 9.92%	- 19.79%	- 24.06%	- 13.49%	- 11.77%
2016 - v35	11.76%	12.63%	11.62%	12.24%	13.41%	9.09%
2017	11.62%	12.16%	11.94%	12.01%	13.80%	9.06%
2018 YTD Nov	11.18%	11.89%	11.44%	11.78%	12.87%	8.56%
ICD-10 Improvement	- 4.94%	- 5.82%	- 1.60%	- 3.75%	- 3.97%	- 5.86%
Compounded Improvement	- 15.20%	- 15.17%	- 21.07%	- 26.91%	- 16.92%	- 16.94%

By-Payer Case-mix Adjusted Readmission Rates under All-Payer Model

Case-Mix Adjusted Readmission Rates by Payer, 2016 - 2018 YTD Nov



By-Payer Case-mix Adjusted Readmission Rate Improvement over All-Payer Model



Same or Different Hospital – by Region

Row Labels	Number of Readmissions	Readmits at Same Hospital	Readmits at Different Hospital	% Same Hospital	% Different Hospital
Central Maryland	36,891	23,032	13,859	62.43%	37.57%
Eastern Shore	3,675	3,069	606	83.51%	16.49%
Montgomery County	7,605	4,654	2,951	61.20%	38.80%
Statewide Specialty	1,338	623	715	46.56%	53.44%
Southern Maryland	6,098	3,947	2,151	64.73%	35.27%
Western Maryland	4,661	4,219	442	90.52%	9.48%
Statewide	60,268	39,544	20,724	65.61%	34.39%

Potential Scope/Issues

Potential Topics and Prioritization

1. Statewide Readmission Goal
2. Shrinking Denominator of Eligible Discharges
3. Comparison Groups, potentially by-Payer Comparison
4. Review of Attainment Only vs. Attainment-and-Improvement
 1. Review of Socioeconomic Disparities and Case-mix Adjustment
5. Revision of Existing Measure (inclusion/exclusion criteria)
6. Revision of Existing Measure (observation stays and ED visits)
7. Non-traditional Readmission Measure(s)